



**Joint Legislative
Commission on Energy
Policy November 5, 2013**



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Design, Build & Operate LNG Fueling Stations

Blu. is advancing the U.S. natural gas vehicle fuel industry by establishing a national network of LNG, L/CNG fueling stations. In addition to providing natural gas fueling solutions, Blu provides trucking fleets with unbiased advice, training, and systems to help you evaluate your natural gas equipment options.



What is LNG?

- Liquefied Natural Gas is natural gas that has been converted to liquid form.
- LNG is odorless, colorless, non-toxic and non-corrosive.
- LNG has been in commercial production since 1917.





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What is LNG?

LNG is an energy dense form of natural gas; this translates into more energy in the tank and greater vehicle range, ranges that are on par with diesel, making LNG a viable option for over the road trucking applications.



What is CNG?



CNG

- Compressed Natural Gas (CNG) is natural gas that has been compressed to less than 1% of its volume.
- CNG is dispensed at a pressure of 2,900 – 3,600 psi.

What is CNG?

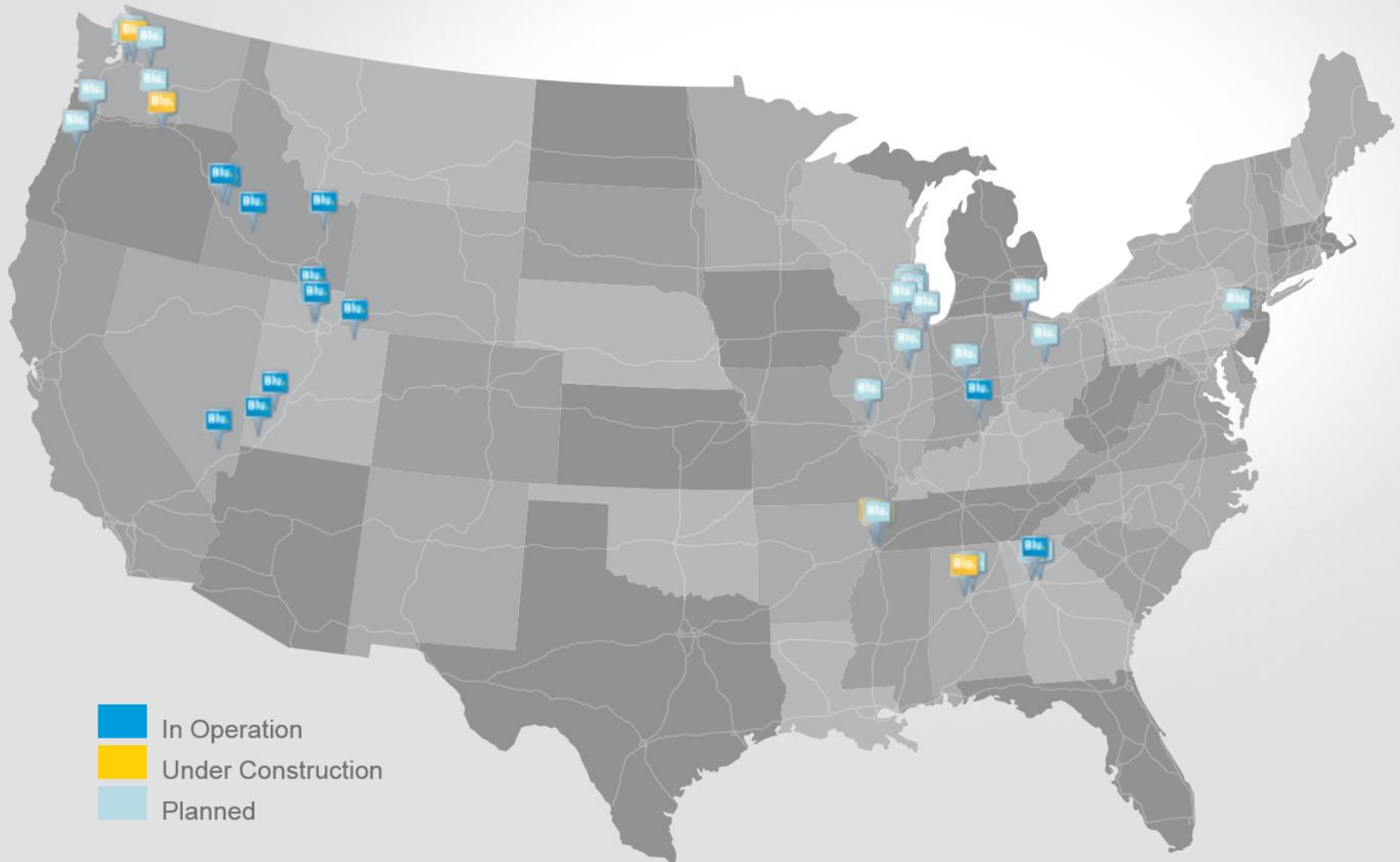
- Compressed Natural Gas (CNG) is used in traditional internal combustion engines that have been modified.
- CNG volumetric energy density is estimated to be 42% that of LNG and 25% of Diesel Fuel.



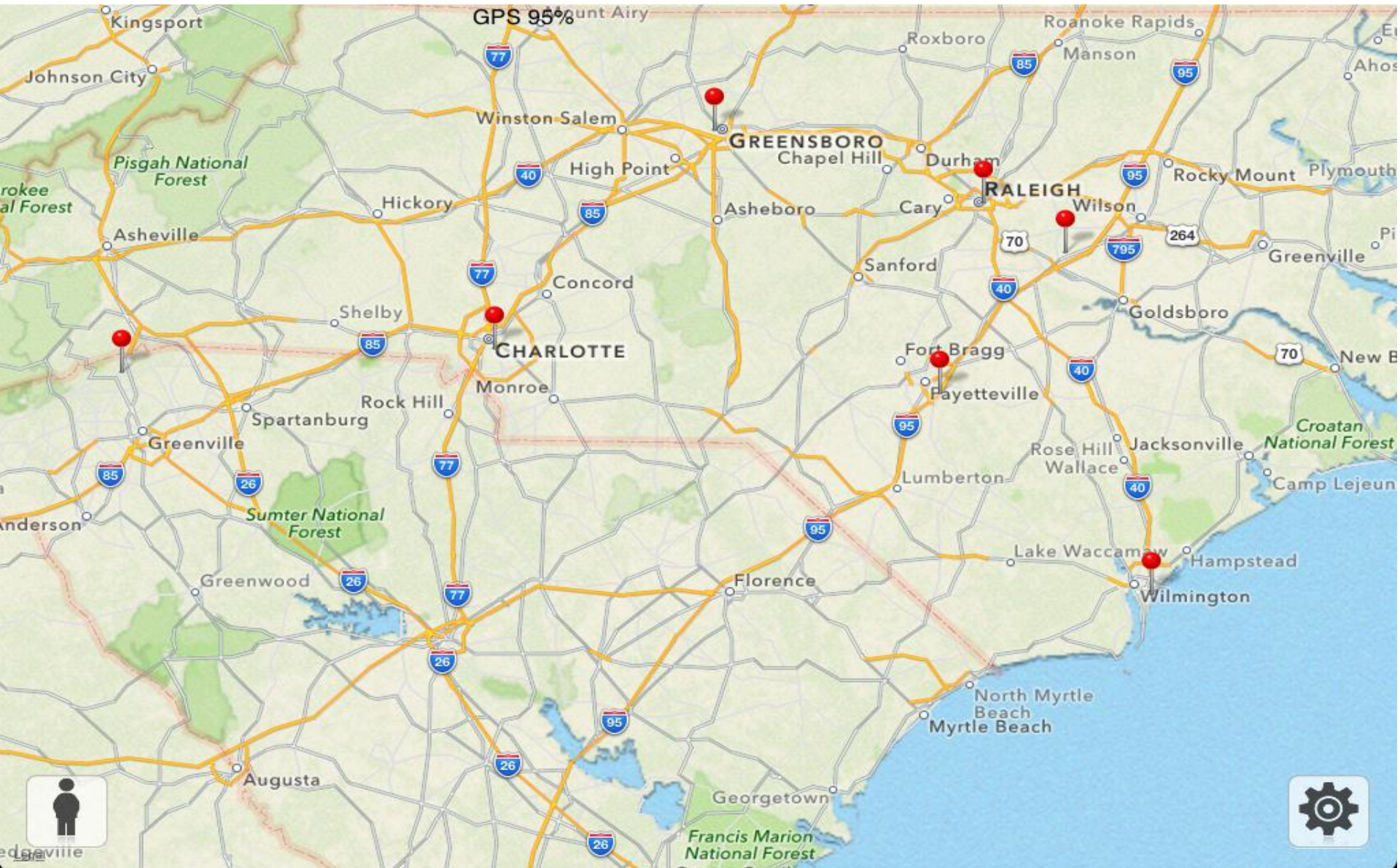
Blu.'s Footprint

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Blu.'s Plans for North Carolina



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LNG Stations



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Boise, Idaho

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Sullivan Road
Atlanta, Georgia

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**Gustin Road
Salt Lake City, Utah**

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LNG Heavy Trucking Solutions



Fleet Solutions



Solutions for fleets looking to convert to natural gas:

- Identify proper application (LNG/CNG)
- Identify routes where supply is available
- Evaluate the potential savings
- Coordinate with supply chain to acquire properly spec'd trucks/equipment
- Provide financing for equipment

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Blu.'s Marine/Port Application

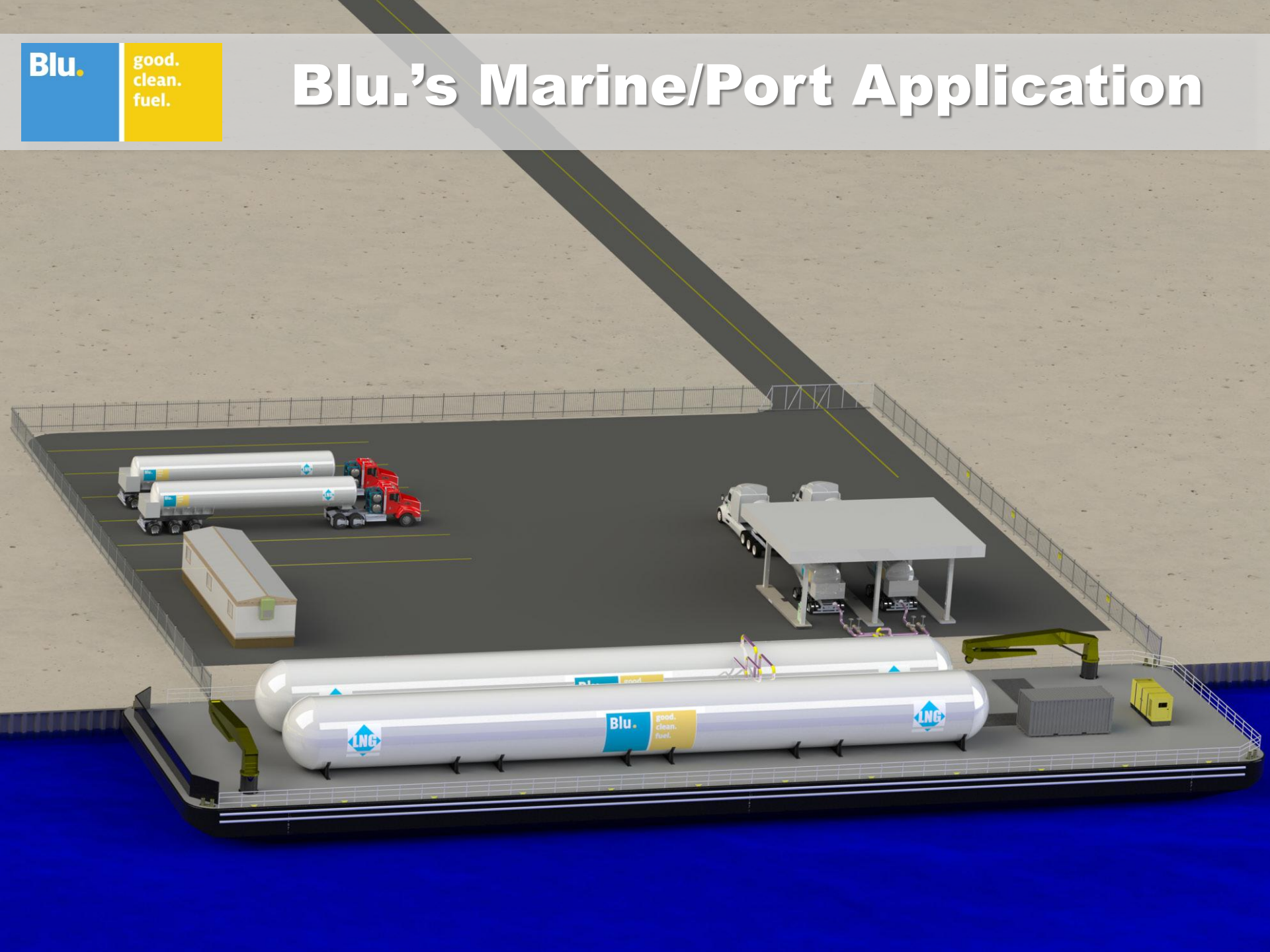
Blu Station Development



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Blu.'s Marine/Port Application



Blu.'s Marine/Port Application

- LNG powered trucks for transportation from liquefaction plant to water
- LNG powered barge electrical system during bunkering operations
- Barge with “C” type tanks used for vessel bunkering and storage
- Reliable, efficient, & safe advanced truck transfer stations
- Flexible bunkering operation with tug and bunker barge

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Blu.'s Marine/Port Application



Blu.'s Marine/Port Application



- When LNG comes into contact with water, it is not absorbed into the water, and quickly evaporates off of the surface, not harming sea life below.
- This characteristic makes LNG a particularly safe fuel for marine applications.

U.S. LNG Supply

- Government, industry and natural gas market participants are increasingly interested in developing LNG for transportation fuels
- The technology to develop natural gas reserves has created an abundance of supply, Lee County is a prime example
- Blu is actively working to developing LNG supply projects with existing and green field suppliers



The Blu. logo consists of the word "Blu." in white text on a blue square background.The "good. clean. fuel." logo consists of the words "good.", "clean.", and "fuel." stacked vertically in black text on a yellow square background.

The Diesel Gallon Equivalent (DGE)

Diesel

139,200 BTU/Gal.

LNG

82,000 BTU/Gal.

NC Excise Fuel Tax

North Carolina has not yet adopted method of taxation for LNG. Without clarification, retailers are left with two interpretations, both put LNG at a disadvantage relative to diesel.

VOLUME BASED TAX

Diesel - \$0.38/gallon LNG - \$0.64/DGE

OR

CURRENT CNG RATES

Diesel - \$0.38/gallon LNG - \$0.42/DGE

Recommendations

We recommend that the North Carolina Legislature establish a method of taxation for LNG that is based on energy content (DGE) and is at least equal to the tax on diesel.

Many states including, Texas, Colorado, Oklahoma, Indiana, Georgia, Florida, and Ohio have all established defined an LNG DGE as 6.06lbs and tax LNG accordingly.

Why tax a clean domestically (or in NC's case, locally) produced fuel more than a dirty one often produced in countries unfriendly to us?

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Questions?